



CALPEEK

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PART 19: L.A. ARENA DEVELOPERS GUARANTEE TO COVER ANY SHORTAGES. WACHS NOT IMPRESSED.

Editor's note: The battle over a proposed \$240 million downtown L.A. Sports Arena is far from over, with L.A. Councilman Joel Wachs vowing to press forward with his initiative to require a vote when public funds are used to help finance construction of a sports facility. Here is Part XIX in our continuing series of reports...

...Compared to the deal that San Francisco got when voters approved Measures D & F back in June, this current L.A. arena plan is 100 times better, but still isn't perfect. The 49er football stadium deal was for \$525 million, with S.F. contributing \$100 million in revenue bonds. The problem with the S.F. deal is that bond repayments are to come from new 49er football stadium revenues and from sales taxes from an adjoining shopping mall. The shopping mall is the risky part, at least as far as opponents of D & F were concerned. If the mall is a bust, S.F. taxpayers may be stuck and there's no guarantee to from the 49ers football team or the mall developers...

...The L.A. deal now features a guarantee by the developers to make up any shortfall in revenues to repay the city for its \$70 million contribution. What could cause a shortfall? If either the *Lakers* or *Kings* were to leave the new arena prior to their 25-year-promise-stay-agreement, the arena would be without major clients as drawing cards. Nearly all arena supporters have said both teams will stay for 25 years, but now, according to an *L.A. Times* story by Ted Rohrlich, the L.A. City Attorney says there are ways for both teams to leave early. Not good news for the developers (Ed Roski & Philip Anschutz, who also own the *Kings*), the L.A. Arena Co. or the lawyers and spin doctors who have once again stumbled and left yet another massive PR opening for Wachs...

...As for the "new" guarantee by developers, sources say Wachs' attorneys have gone over this document and they claim to have found 3-4 loopholes. Bottomline according to Wachs: it's only promises from the arena backers and not an *ironclad guarantee* of no cost to L.A. city taxpayers. Sources say Wachs is pleased with the progress he's made in getting more disclosure from the developers, but he's still moving forward with his initiative. The initiative is *Wachs' guarantee* that developers will deliver what they've promised. And the public seems to agree...

...FYI: What some L.A. insiders conveniently overlook is that downtown L.A. already has a sports arena, as well as a downtown NBA team - the *Clippers*. If the establishment had treated Donald Sterling, the developer/owner of the *Clippers*, with some respect, perhaps he would have popped for a new arena, with a much better deal than the one now being offered by the L.A. Arena Co. Stay tuned...

U.S. SENATE UPDATE: IT'S ALL A QUESTION OF TIMING. CALPEEK LOOKS AT FONG'S REPORT.

Editor's note: For the past few weeks, *Calpeek* (and we hear other news media too) has heard persistent reports that State Treasurer Matt Fong, a leading GOP U.S. Senate hopeful in '98, used part of his large State campaign war chest to pay some of this year's bills, including fees to political consultants. In fact, he has done this and his campaign says they are comfortable with this decision. We'll explain in detail. Needless to say, Fong's opponents aren't happy campers. Here's our report & analysis...

...When running for the U.S. Senate or the U.S. House, the law says a candidate can only pay expenses from a federal war chest, collected under federal rules, with very strict campaign limits (\$1,000 per individual) and no corporate contributions. In his January 1st to June

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30th State Treasurer's campaign filing, Fong reported spending **\$454,144**. Of that sum, **\$163,681** went to key political operatives working on Fong's U.S. Senate campaign. Payments included: \$37,500 to Steve Kinney, a Fong advisor/fundraiser; \$50,000 to McNally Temple & Assoc., Fong's lead consultant; and \$20,000 to Nygren & Co. (Jim Nygren). Other consultants who received lesser amounts from this State committee were Cathy Beck of Crowser, Beck Consulting (fundraising); Fong's COS at the Treasurer's office, Ron Rogers; Joe Giaradiello, an opposition research consultant; and Adam Mendelsohn, who reportedly does political advance work for Fong, as well as other chores. The \$163,681 included both professional fees and expenses. It is important to note that McNally/Temple, as well as Kinney and others, also received moneys from Fong's U.S. Senate committee, some as early as February of this year...

...Why would Fong use his State committee (instead of his federal committee) to pay these fees and expenses? The response from consultant Richard Temple is that Fong, during the first 6 months of this year, had **not** firmly ruled out other political options, including a possible run for governor against GOP AG Dan Lungren or seeking reelection. Thus it was legal, says Temple, to use moneys from Fong's State warchest. In fact there is still \$720,782 remaining in this campaign account. Temple told **Calpeek** that Fong's team viewed June 30th as a key cutoff date: if they raised \$1 million by that time, Fong would go for the U.S. Senate. He was about \$50,000 short, but decided to go anyway...

...Sources not directly connected to Fong's senate campaign confirm that Fong and his team were indeed looking at the governor's race in early January, the feeling being that Lungren was a "weak candidate."...

...**However**. While these statements that Fong was considering other political options may provide some cover, Fong's opponents don't think so. Here are items worth noting: 1) there was no visible campaigning nor fundraising for any State office by Fong; 2) Fong's 1st U.S. Senate check from Richard Edson of McLean, VA, was dated Jan. 17, 1997; 3) Fong opened his federal account a short time later; 4) Fong's first fundraising U.S. Senate letter to potential contributors was dated Feb. 11, 1997 [meaning the letter was composed

earlier by the campaign]; 5) At the Feb. 21-23 Calif. Republican Party state convention, Fong's team was handing out *Box Up Boxer, Fong for U.S. Senate* campaign buttons; and 6) A Mar. 2nd article by Sacto BEE reporter Ken Chavez read in part: *In his capital office, Fong said he's "firm in the decision of my desire to serve in the U.S. Senate...I'm in it."*...

...Scott Taylor of Darrell Issa's GOP U.S. Senate campaign told **Calpeek**, "He (Fong) thinks campaign laws don't apply to him." He termed Fong's spending from his State account as *outrageous*, but doesn't have any plans to complain to the FEC. George Gorton, San Diego Mayor Susan Golding's chief consultant, said, "It's simply wrong to advance your senate campaign with funds from the State Treasurer's campaign committee." Because Golding's team hasn't begun opposition research as yet, Gorton was surprised to learn from **Calpeek** that among the expenditures on Fong's State Treasurer's report was an item for \$188, an expenditure to the San Diego City Clerk. Although they don't know for sure, both Taylor and Gorton now suspect that Fong sent an operative down to San Diego to get Golding's campaign contribution reports from her mayors' races. Could this be a *smoking gun*??? Stay tuned...

CALIF. INITIATIVE UPDATE: 14 MEASURES ARE IN CIRCULATION; 10 MORE AWAIT TITLE & SUMMARY.
Editor's note: Campaign '98 could well turn into another year where initiatives play a major role in attracting voters. Here's a brief update...

...There are already 7 measures on the **June 2nd** primary election ballot, with 3 of the 7 being initiatives. In addition, there are 14 measures in various stages of gathering signatures for the June ballot, including some fairly controversial measures. In addition to 14 now in circulation, the Calif. AG is currently putting titles & summaries together for 11 more initiatives. Included in this batch of initiatives at the AG's office is one which our sources predict will make the November '98 ballot: ***The Calif. Parental Rights & Child Protection Initiative*** --- to overturn the CA Supreme Court's recent parental consent on teenage abortion ruling. In addition, here are the other measures at the AG's

office awaiting title & summary:

- ◆ Initiative to Ban Cruel Traps
- ◆ The Anti-Corrupt Practices Act of 1998
- ◆ Right to Vote on Tax Loopholes Act
- The Corporate Tax Reform & Individual Tax Refund Act of 1998 - by Lenny Goldberg and the Calif. Tax Reform Assn.
- ◆ The Calif. Student Textbook Guarantee & Lottery Revenue Reallocation Act of 1998 - by Jim Gonzalez of Californians for Student Success.
- The Calif. Term Limitations Act of 1998 - by Walter J. Deal.
- ◆ Voter Option to Redistribute Taxes to Local Govt. Act.
- The Gaming Control Act and The Gaming Controll Act of 1998 - 2 by the same proponent, James A. Taylor.
- State Budget...

...FYI: *More on Gaming* - James A. Taylor is the proponent of an initiative to permit *slot machines* at several Palm Springs area card clubs owned by developer Mark Bragg. This initiative, which was given the OK to circulate some time ago, has been *pulled* and these two new ones (listed above) are substitutes. So instead of a June ballot measure, Bragg is now looking at November. One of new measures at the AG's office is similar to the one which was just pulled, while the second one would allow *paramutual video gaming machines* (w/non-house backed games that do not dispense coins). This measure would have appeal to the various CA Indian tribes who operate casinos, because these are the kinds of games that they have operated in the past. If Bragg goes for this initiative, it may be a strong sign that Indian gaming interests may be prepared to help Bragg with some big bucks. Stay tuned...

LUNGREN TO ADDRESS CALIF. LINCOLN CLUBS.

Calif. AG Dan Lungren(R) will address an all-chapters meeting of the Calif. Lincoln Clubs, 11:30 a.m. reception, 12 noon luncheon, Sept. 11, Lakeside Country Club, Burbank. Lungren's topic: "Hot Issues In the '98 Governor's Race." For info ☎(818)906-0043...

CAMPAIGN '98: ODDS & ENDS FROM AROUND CALIF.

Editor's note: Here's another update on various State-wide races in 1998...

☒ *New Field Poll for U.S. Senate* - Survey taken Aug. 14-24, 753 registered voters. In an *open primary* situation, here's how Demo U.S. Sen. Barbara Boxer and her 3 GOP opponents fare: Boxer(D) 34%, State Treas. Matt Fong(R) 15%, San Diego Mayor Susan Golding(R) 12%, San Diego businessman Darrell Issa (R) 3%, with 36% undecided. In a *closed GOP primary*, here's the way they finish: Fong 30%, Golding 24%, Issa 8% and undecided 38%...

...In the one-on-one battle, here's how Boxer does against these three:

Boxer 43%	vs. Fong 38%	19% und.
Boxer 44%	vs. Golding 36%	20% und.
Boxer 45%	vs. Issa 28%	27% und.

...FYI: even though Boxer is well under that magic 50% number (indicating vulnerability), CA's junior senator is **not** the #1 target of the Republican Senatorial Campaign Cmt. That honor goes to Illinois incumbent Demo Sen. Carol Moseley-Braun...

☒ *New Field Poll on Governor's Race* - Last week we listed the results of an *open primary* from the Field Poll data. This week we'll show you how all of the top Demos (U.S. Sen. Dianne Feinstein, Lt. Gov. Gray Davis, Controller Kathleen Connell, former White House COS Leon Panetta and businessman Al Checchi) fare against GOP AG Dan Lungren...

Lungren 37%	vs. Feinstein 46%	17% und.
Lungren 36%	vs. Davis 41%	23% und.
Lungren 44%	vs. Panetta 34%	22% und.
Lungren 41%	vs. Connell 31%	28% und.
Lungren 46%	vs. Checchi 20%	34% und.

☒ *GOP AG's Race* - Chief Dep. AG Dave Stirling (R) has formally announced his candidacy to replace his boss, Dan Lungren, as CA's top law enforcement officer. Stirling's only primary opponent thus far is Orange Co. DA Mike Capizzi. Stirling has taken a leave of absence from his job to campaign full time...

L.A. CURRENT AFFAIRS FORUM SETS GALANTER

L.A. Councilwoman Ruth Galanter will be the featured speaker Sept. 19 when the L.A. Current Affairs Forum hosts its monthly luncheon at the Hyatt Regency Hotel, L.A. Reception 11:30 a.m., lunch 23 noon. For info ☎ Emma Schafer (213)627-7427...

CRP CONVENTION SET FOR SEPT. 26-28 IN ANAHEIM.

The Calif. Republican Party will host its early fall convention Sept. 26-28 at the Anaheim Marriott Hotel. The convention will feature some of those GOPers who are mentioned as possible White House contenders in 2000. For info ☎ (818)841-5210...

DOG DAYS OF SUMMER: POLITICAL SHORT TAKES.

Editor's note: Here are a few political items worth noting...

■ ***Part of 208 Ruled Invalid*** - U.S. Dist. Judge Lawrence Karlton on Sept. 2nd ruled that Prop. 208's restrictions on **independent expenditures** by political parties is unconstitutional. This is only one part of 208 and a trial on the other parts of this controversial '96 campaign reform law begins Oct. 15th in Sacto...

■ ***Wilson's Image Still Muddy*** - In the latest *Field Poll* released Aug. 26th, Gov. Pete Wilson's approval/disapproval rating is 45% vs. 47%, with 8% no opinion. This is better than the last time Field measured the public's attitude toward Wilson, but still is not too good. But things get worse for the lame duck chief executive. Field's *job performance rating* puts Wilson at 32% very good/good vs. 38% poor/very poor, with 27% saying Wilson's job performance is fair. 3% offered no opinion...

■ ***Allegations of S.F. Voter Fraud*** - It was a Matier & Ross front page story in the Aug. 30th edition of the *S.F. Chronicle*. The headline read: **Fraud Probe In Stadium Election. Were Fictitious Ballots Cast in 49er Vote?** The CA Sec. of State and the S.F. City Atty. are both probing allegations of wrongdoing in the city's June 3rd election. Among the allegations: 1) forged signatures at the polls; and 2) "dead" voters casting ballots --- shades of *Duval Co.* in Texas. According to the story, city officials deny that there was any *widespread fraud* -- at least not enough to overturn Measures D & E, which won by about 1,400 votes.

The passage of these two measures will allow the 49ers to build a new \$525 million football stadium and shopping mall. We'll keep you posted. Stay tuned...

NEW JOBS, ADDRESSES AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● Portland-based Moore Information has hired Tanya Gass as project mgr. Gass previously worked for the campaign division at Nelson Comm. Group...

● Mark Dierking has been elected president of the CA Young Democrats; and attorney Dan Forman was recently elected president of the L.A. Co. Young Democrats...

● The L.A.-based strategic communications and P/A firm Kranz Scott Group has moved to 2034 Cotner Ave., Ste. 201, L.A. 90025. ☎ (310)477-7553...

● Calling it a career: after 36 years of legislative advocacy, Sacto lobbyist Les H. Cohen is pulling the plug and retiring on Dec. 31st...

● Sharon Pinkerton has been promoted to Sr. VP of Research at Santa Monica-based Fairbank, Maslin, Maullin & Associates. She joined FM&M in 1993...

● Mark Krausse has joined the Assn. for Calif. Tort Reform (ACTR) as VP of Legislation. Krausse had been with The Doctors' Company...

ACCESS AWARDS LUNCH SET FOR L.A. ON OCT. 15.

The L.A. Co. Commission on Disabilities will host its annual *Access Awards* luncheon at 11:30 a.m., Oct. 15, Dorothy Chandler Pavilion, L.A. The award luncheon honors individuals and organizations for their work on behalf of persons with disabilities. For info ☎ (213)974-1053...

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